

# Red tape, taxes decide the kind of car we can buy

The announcement by Mazda that it will sell a four-wheel-drive utility vehicle built by Ford dubbed the Navaho added yet another twist to the quirks in the U.S. market prompted by the convoluted U.S. trade policy.

The truck will be built in a U.S. plant and sold through U.S. dealers, with wholesale profits pocketed by a Japanese company. This is a role reversal from the common practice of U.S. companies buying cars built in Japan, so-called "captives," pocketing the wholesale profits and selling them through their U.S. franchisees.

THE LEXICON of foreign trade has been getting a little complicated lately. It used to be simple — cars

built overseas and shipped to the U.S. were called imports. Mainly, these were sold to U.S. distributors, which resold them to independent dealers.

The captives were next. Then Volvo and Volkswagen complicated things by becoming the first postwar overseas companies to build manufacturing plants, with heavy Canadian, U.S. and state subsidies to build cars for North American sale. When the Japanese followed suit, someone called these transplants.

THE ECONOMIC effect of all this was getting a little fuzzy. Obviously, U.S. companies were cutting their work force, but foreign companies



auto talk  
**Dan McCosh**

were hiring. Subsidies, mainly coming from local governments panicked by lost jobs, encouraged more transplants, more lost jobs, more subsidies and more transplants.

Finally, Ford got into the act by getting Japan's Mazda, owned 25 percent by Ford, to reopen a former Ford factory in Flat Rock where

Mazda would build a car about half Ford and half Mazda on Japanese machines to be sold by Ford. Nobody even tried to name that one.

MEANWHILE, A 25-percent tariff levied against light trucks was reinterpreted a year ago or so to include two-door light utility vehicles. The

reasons for singling out a single body style made about as much sense as taxing just imported pickups, but the result was that Japanese manufacturers importing two-door utility vehicles suddenly are getting taxed pretty much out of the market.

Toyota and Nissan reacted to the tariff by putting two more doors in their light utility vehicles, since U.S. customs decided the extra two doors excluded the cars from the tax.

INTO THE market vacuum created comes the Mazda Navaho, the first tax-free, Japanese nameplate, U.S.-manufactured light utility vehicle sold through U.S. dealers and distributed by a distribution company

recently acquired from U.S. ownership by Mazda. Which, of course, is partly owned by Ford.

It is the ultimate creature of a bizarre foreign trade policy, for tax subsidies and a nightmare of conflicting interests in the international business community.

It could well be the ultimate capitalist symbol of melting pot that save for the fact that the Japanese refuse to sell it in their own country since they prefer to ship cars back to the homeland that are built there with parts manufactured in Japan.

If you are looking for a new phenomenon, I'd say the Navaho is a hostage.

## marketplace

McClelland & Co. of Birmingham, and Exolon-ESK of Tonawanda, N.Y., have announced the signing of a supply and sales agreement for silicon carbide. McClelland & Co. is a supplier of engineered materials.

Hermanoff & Associates of Farmington Hills was selected by the Michigan Coalition for Safety Belt Use to produce programs to increase the use of automobile seat belts and child-restraint systems in Michigan.

Rockwell International Corp.'s Automotive Body and Chassis Systems received the Chrysler Motors Corp. Pentastar Award for overall supplier achievements during the 1989 model year. Plants are in Chatham and Milton, Ontario and LaCelle, Quebec. The fourth winner is the Limeira, Brazil plant of Rockwell-Fumagalli.

ITT Automotive's Lester Operation of Auburn Hills won Ford Motor Co.'s Q1 preferred Quality Award.

Associates Creative Inc. of Southfield moved its production facilities to the Courtyard Office Park, 28200 Franklin Road, Suite 100, Southfield. The phone number is 354-3003.

The Millman-Deer Center for Eye Care of Rochester Hills was certified as a Medicare-approved ambulatory surgery center by the Health Care Financing Administration in Washington, D.C.

The Beilme Group Inc. of Bir-

mingham won two Wave Review awards from the World Waterpark Association.

Acustar Inc. of Troy received three awards from Chrysler Motors.

Deanis R. Green & Associates of Southfield was appointed the advertising agency for Michigan Business Magazine.

Hodman, Longley & Dabbling of Troy, a law firm, hired Gabriel Verba & Associates as its communications consultant.

Michael Flora & Associates of Troy was recognized for excellence in the international Best of Direct Marketing competition sponsored by Target Marketing Magazine.

Hall Industrial Publicity Inc. of Troy and its subsidiary HPI Advertising Service were named public relations and advertising agency for Langeman Manufacturing Ltd. of Lexington, Ontario.

The Public Image of Birmingham was named agency of record for ALS of Michigan, the Adoption Option and Detroit Cover Up (the Blanket Lady).

Analytical Technologies Inc. will demonstrate the RMServer, a connectivity product, during DB/Expo '90. The RMServer is a software package enabling relational database management systems users to access low-level non-database files

as if they were database tables.

Hirsch & Co. Inc. of Birmingham was named as advertising and public relations agency for Zipser & Yellin of Farmington Hills. Hirsch & Co. will be involved in all of Zipser & Yellin's marketing and promotional programs.

PR Resource Center moved to larger offices within Southfield. The new address is 18877 W. 10 Mile, Suite 102. The telephone number, 559-0690, remains the same.

MHD Real Estate changed its name to Snyder, Kinney & Bennett-Rochester. The real estate office is at 115 S. Walnut, Rochester. The phone number is 651-6660.

Inquire Inc., a marketing research firm specializing in communications surveys, has opened in Birmingham. The mailing address is P.O. Box 58, Birmingham 48012. The telephone number is 646-1942.

Grossman & Associates of Southfield will handle public relations for the 1990 Ford Budweiser U.S. Hot Rod Association Truck and Tractor Pull Championships at the Pontiac Silverdome in March.

Entente International Trading of Troy will provide export management services and develop markets in Europe, Africa, the Middle East and Canada for Phoenix Chemical Inc.

## You must learn to promote to help a business prosper



focus: small business

**Mary DiPaolo**

Have you ever enthusiastically promoted the "perfect" candidate to a management position in your company, only to discover later that you chose the wrong person?

What did you do about it? More important, what action have you taken since then to keep the same mistake from happening again?

Promoting someone in your organization can be the most rewarding management experience there is — when it works.

UNFORTUNATELY, TOO many business owners have been discouraged by promoting the wrong people and have subsequently chosen to look outside the company when seeking management candidates.

The problem is that the time, effort and expense to do this may be better spent sharpening your own promotion-related judgment skills. No one system exists that will enable you to select the best person for a given management position.

Because promoting employees is a key management function of any business, it will never be replaced by anything but an attempt to become more astute in this area of management decision making.

THERE ARE several simple steps you can take to increase your success rate in promoting the right employee.

When considering an in-house pro-

motion, write out a complete description of the position to be filled. Make this description as detailed as possible and include required skills, necessary experience, key responsibilities, work hours, authority and salary.

Next, compile a list of employees who should be considered for the position, along with their work history, job training, experience and goals.

AT THIS point, some business owners may find that they do not have an employee within the organization who will fit the position. Often, these owners will then resort to irrelevant criteria (such as length of employment or employee career goals) in finding a probable candidate for promotion.

This is a mistake. If you cannot objectively come up with the name of at least one employee who would be a strong, qualified candidate for

promotion, it is then appropriate to look outside the company.

Advancing an employee into a wrong position because it was convenient at the time can cause problems and bad feelings that date.

THE KEY to promoting the right employee is to take the time necessary to identify and evaluate the position and the candidates, developing criteria to create the best match between the two.

This will provide the potential for the greatest possible success for the employee and for your organization.

Mary DiPaolo is the author of *MarkoTrends*, a *Entrepreneur* magazine business column. She is also producer and host of the cable television series "Chamber Perspectives."

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